Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

UNCLASSIFIED

PAGE 01 REYKJA 00287 281834Z
ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 EB-08 FRB-01
INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 OES-07 DOE-11 SOE-02 /118 W
----------065215 010218Z /72
R 281608Z FEB 78
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 8184

UNCLAS REYKJAVIK 0287

E.O. 11652: N/A
TAGS: EINV, ECON, ELAB, ETRD, IC
SUBJECT: INFORMATION TO AID USG REVIEW OF INTERNATIONAL INVEST-
MENT POLICY

REF: (A) STATE 37873; (B) REYKJAVIK A-05, FEB 10, 1978

1. ICELAND HAS NO SPECIAL PROGRAM OF INCENTIVES FOR ATTRACTING FOREIGN INVESTMENT OR INVESTMENT CODE. FOREIGN INVESTMENT DEALT WITH ON CASE-BY-CASE BASIS IN PARLIAMENT, WHICH SPELLS OUT OPERATING CONDITIONS. THERE IS LEGAL REQUIREMENT THAT FOREIGN FIRMS BE MINORITY SHAREHOLDERS IF THEY DO INVEST, BUT EXCEPTIONS TO THIS REQUIREMENT CAN AND HAVE BEEN MADE. MAJOR FOREIGN INVESTMENTS IN ICELAND ARE ALL EXPORT-ORIENTED: ALUMINUM SMELTING AND DIATOMITE MINING CURRENTLY IN OPERATION AND FERROSILICON PLANT WHICH IS UNDER CONSTRUCTION.

2. EXCEPTION TO MAJORITY LOCAL OWNERSHIP LAW WAS MADE FOR SWISS-OWNED ALUMINUM SMELTING PLANT WHICH BEGAN OPERATION IN 1969. REASONS FOR DECISION NEVER STATED PUBLICLY, BUT LACK OF CAPITAL MIGHT BE INVOLVED SINCE GOI FUNDED CONSTRUCTION OF HYDROELECTRIC PLANT AT BURFELL TO SUPPLY POWER FOR SMELTER. IN DIATOMITE PLANT AND FERROSILICON SMELTER, VOI
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PRINCIPAL LOCAL SHAREHOLDER.

3. SINCE GOI HAS NO INCENTIVE PROGRAM AS SUCH, AND FOREIGN INVESTMENT SMALL, TREATMENT OF FOREIGN INVESTORS AS RAISED IN SECTIONS I, II, AND III, PARA 3 REFTEL (A) IS SAME AS LOCALLY OWNED COMPANIES.

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4. DIRECT FOREIGN INVESTMENT CLIMATE UPDATE SUBMITTED
EARLIER THIS MONTH IS CURRENT (REF B).
BLAKE

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978REYKJA00287
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780092-1239
Format: TEL
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978023/aaaaacei.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 41b4b7d2-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 37873, 78 REYKJAVIK A-5
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
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Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3526677
Secure: OPEN
Status: NATIVE
Subject: INFORMATION TO AID USG REVIEW OF INTERNATIONAL INVEST- MENT POLICY
TAGS: EINV, ECON, ELAB, ETRD, IC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/41b4b7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
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